

Dear CRSP Transmission Customer:

Western has recently finished its yearly recalculation of the CRSP firm transmission rate. This letter is serving as official notification of the rate change. The firm point-to-point transmission rate is applicable to existing transmission contracts and future transmission service agreements.

As provided in Rate Schedule SP-PTP6 (Expected to be superseded by SP-PTP7 effective October 1, 2008) for firm point-to-point transmission, based on the FY 2007 audited financial data, this year's recalculation results in a rate of **\$1.51/kW-month**, effective October 1, 2008, through September 30, 2009. The reason for the decrease from the current rate of \$2.21/ kW-month is because of a change in the CRSP Transmission System Total Load. An increase in reservations was made for firm point-to-point deliveries. As noted in the formula below, this increases the denominator of the transmission rate formula, thus decreasing the transmission rate.

The formula for computing the rate is Annual Revenue Requirements (ARR) minus Transmission Revenue Credits (TRC) equals Net Annual Transmission Revenue Requirements (NARR). The NARR is then divided by CRSP Transmission System Total Load (TSTL).

Please note that a change in the firm point-to-point rate also affects Rate Schedule SP-NFT5 (Expected to be superseded by SP-NFT6 effective October 1, 2008) for non-firm point-to-point transmission service. Although non-firm transmission is sold at negotiated rates, the rate is never higher than the current firm point-to-point rate.

Additionally, Rate Schedule SP-NW2 (Expected to be superseded by SP-NW3 effective October 1, 2008) for network transmission service also provides for a yearly recalculation. The network transmission service charge is the product of the network customer's load ratio share times one-twelfth of the total net annual transmission revenue requirements, which is the same revenue requirements used in the firm point-to-point transmission service calculation. The network service charge will reflect these updated revenue requirements.

If you have any questions concerning the recalculated rate schedules, please telephone Rodney Bailey at (801) 524-4007.

Sincerely,

Carol A. Loftin
Rates Manager

Enclosure

R. Moulton, G4000, Phoenix, AZ
D. Emler, G6000, Phoenix, AZ
E. Redhair, G8000, Phoenix, AZ
C. Schaefer, G8230, Phoenix, AZ
E. Hulls, J4000, Loveland, CO
R. Vojdani, J4010, Loveland, CO
P. Humberson, J4800, Loveland, CO
Acting, J6000, Loveland, CO
L. Maass, J8000, Loveland, CO
S. Winges, J8010, Loveland, CO
(w/o enclosure)
L0000, L4400, L6100, L6110, L6160, L6200, L6230, L6300
(w/enclosure)
L0007.1 RF(2), OF